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Reforming Intelligence Analysis

Currently Congress has approved or is considering a number of measures to correct the damage done to the U.S. intelligence community in the past decade. Under the leadership of Senator Frank Church and other prominent legislators, Congress enacted a number of hastily conceived restrictions which effectively dismantled America's capacity for covert intelligence operations. Measures now being considered to rectify the problems include repeal of the Hughes-Ryan amendment, which established extensive congressional oversight of covert intelligence activities, repeal or extensive modification of the Freedom of Information Act and adoption of an Intelligence Identities Protection Act. The Reagan Administration also is studying means to restore the intelligence community to its former importance, such as re-establishing the President's Foreign Intelligence Advisory Committee (PFIAB), which was abolished by President Carter in 1977.

Such steps are badly needed if the United States is ever to regain its ability to conduct covert operations, or indeed to collect data from sources other than technical means of surveillance. Yet, taken on their own they do nothing to help, and may even impede correction of the most significant problem facing the U.S. intelligence community—correctly analyzing and assessing the data it possesses. This is a long-standing problem that has intensified in recent years, especially under the Carter Administration.

A RECORD OF FAILURE

Discussion of faulty intelligence assessments must focus on the Central Intelligence Agency, the designated producer of National Intelligence Estimates for the President and other top policymakers. Although the Defense Intelligence Agency, the National Security Agency, the military intelligence services, and the State Department Bureau of Intelligence and Research contribute to the NIE, their own reports are more specialized to fit the in-house needs of the Departments of Defense and State, respectively. By contrast, CIA reports are considered "national"; the analytical branch of the agency is the National Foreign Assessment Center, and the section heads for regional and topical analysis are termed National Intelligence Officers. When an NIE is produced, the CIA selects the precise topic and assigns the principal drafter, whose task is to produce a paper reflecting a consensus of the views of the intelligence community. Although agencies may register a formal dissent on particular points, a high value is placed on consensus. Even under the best of circumstances this emphasis results in an enshrinement of the lowest common denominator of intelligence opinion, and all too often

leads to "party-lining" or anticipating the views of policymakers.

However, this process of forced consensus is not sufficient to explain these staggering failures of the intelligence community:

- Until 1979 the NIEs contended that the Soviet Union would not place offensive weapons in Cuba. To contend otherwise was to assert that the Soviet Union was violating the 1962 agreement ending the Cuban missile crisis (amended in 1970). Therefore the stationing of MiG-23 and MiG-27 fighter-bombers, the construction of submarine pens, and the frequent visits of major Soviet naval units were noted but not assessed as being of any significance. Only the revelation of the presence of a Soviet combat brigade in Cuba just prior to the 1980 election campaign forced modification of this assessment.

- Until December 1979 it was contended that the Soviet Union would not invade Third World countries, such as Afghanistan, with its own troops. Attention was focused instead on "proxy wars," which enormously improved the strategic situation of the U.S.S.R. in the Third World.

- The intelligence community predicted well into 1978 that the Shah of Iran would remain in power for the duration of the 1980s and that Iran was not in a pre-revolutionary state. Challenging this assumption meant questioning American reliance on Iran as the "policeman of the Gulf."

- In 1981, after the Reagan Administration called attention to Soviet use of terrorism as a weapon against Western nations and pro-Western Third World governments, the CIA retroactively identified over a thousand terrorist acts in the previous year that it had not counted earlier.

- The CIA produced a study on Soviet oil production in 1977 predicting a major oil crisis within a decade. This study was not substantiated by other analyses—either by the oil industry, European research centers, or the DIA—and yet was perfectly suited for President Carter's contention that increased Soviet need of Western drilling technology would strengthen detente. The 1977 predictions proved embarrassingly inaccurate, and were drastically revised in January 1981.

Yet it is in the area of assessing the extent of the Soviet strategic buildup during the 1960s and 1970s, and in estimating Soviet defense expenditures, that the intelligence community has accumulated its most dismal record. Albert Wohlstetter's documentation of continual annual CIA strategic underestimates during the 1960s goes far toward explaining the deplorable U.S. experience with arms control, including CIA's failure to recognize Soviet SALT deception, and the current radical change in the